

Message Text

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ACTION STR-04

INFO OCT-01 STRE-00 FEA-01 AF-08 ARA-06 EA-07 EUR-12

NEA-10 OIC-02 SSO-00 NSCE-00 USIE-00 INRE-00 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 PRS-01 SP-02 OMB-01

ISO-00 /120 W

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O R 091852Z JUL 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 1075

INFO ALL EC CAPS 96

AMEMBASSY BELGRADE

AMEMBASSY BRAZILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY MONTEVIDEO

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

AMEMBASSY WARSAW

LIMITED OFFICIAL SECTION 1 OF 2 MTN GENEVA 5459

ACTION STR

PASS AGRICULTURE, H PASS CODEL

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJ: JULY 5-7 MEETING OF MTN SUBGROUP ON MEAT

REF: A. STATE 161809; B. MTN GENEVA 5400

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1. SUMMARY. THE MTN SUBGROUP ON MEAT MET JULY 5-7. IT EXAMINED THE TRADE MEASURES IN THE BOVINE SECTOR OF URUGUAY AND POLAND. THEREAFTER, IT ADDRESSED THE POLICY PROPOSALS MADE BY VARIOUS DELEGATIONS. AUSTRALIA AND NEW ZEALAND ELABORATED ON THEIR

ORIGINAL PROPOSALS WITHOUT REALLY ADDING ANY NEW ELEMENTS. THE EC ELABORATED ON ITS CONCEPT OF CONCERTED DISCIPLINES. THESE WOULD CONSIST IN THE FORMATION OF A NEW BODY WHOSE TASK IT WOULD BE TO EXCHANGE INFORMATION ON THE DEVELOPMENTS IN THE INTERNATIONAL MEAT MARKETS AND TO CONSULT ON MEASURES TO BE TAKEN. HOWEVER, THE EC REFUSED TO INDICATE WHAT MEASURES IT WOULD TAKE AS A RESULT OF SUCH CONSULTATIONS AND ANNOUNCED THAT IT WOULD NOT BE WILLING TO SUBJECT ITS MEAT DUTIES TO A TARIFF FORMULA OR TO CHANGE ITS LEVY SYSTEM. A LARGE PART OF THE GROUP'S MEETING WAS TAKEN UP WITH FRUITLESS ATTEMPTS BY VARIOUS DELEGATIONS TO OBTAIN FROM THE EC CLARIFICATION OF ITS PROPOSAL. END SUMMARY.

2. THE SUBGROUP MEAN HELD ITS FOURTH SESSION ON JULY 5-7. IN ACCORDANCE WITH THE FIRST STATE OF ITS WORK PROGRAM (PARA 4 OF MTN/ME/1), THE SUBGROUP UNDERTOOK AN EXAMINATION AND ANALYSIS OF THE MEASURES IN THE BOVINE SECTOR MAINTAINED BY URUGUAY AND POLAND. APART FROM THE U.S. AND THE EC, NO DELEGATION DISPLAYED ANY INTEREST IN THIS PART OF THE SUBGROUP'S WORK.

3. IN THE COURSE OF THE EXAMINATION URUGUAY REFUSED TO BE DRAWN OUT BY THE EC ON WHETHER IT COULD RESPECT MINIMUM OR MAXIMUM EXPORT PRICES BUT DID NOT EXCLUDE IMPOSING EXPORT RESTRICTIONS IF CONDITIONS WARRANTED SUCH ACTION. THE EXAMINATION OF POLAND'S TRADE SYSTEM FOR BEEF CENTERED ON THE SPECIAL ASPECTS OF A STATE TRADING COUNTRY. APART FROM SOUTH AFRICA (WHICH INDICATED ITS PREPAREDNESS TO BE EXAMINED AT THE NEXT MEETING) ALL OF THE MORE IMPORTANT COUNTRIES HAVE BEEN THROUGH THE MULTILATERAL CROSS-EXAMINATION PROCESS.

4. THE SUBGROUP, IN ACCORDANCE WITH PARA 4 OF MTN/ME/3, THEN CONTINUED ITS DISCUSSION OF VARIOUS ELEMENTS CONTAINED IN PROPOSALS MADE WITH REGARD TO THE CATEGORIES OF TOPICS IDENTIFIED AT ITS FIRST MEETING (MTN/ME1, PARA 6). THE BULK OF THE DISCUSSION CENTERED ON THE EC'S PROPOSAL (MTN/ME/W/6). FOR THE FIRST TIME, ALL THE MAJOR EXPORTERS (AUSTRALIA, NEW ZEALAND, ARGENTINA, URUGUAY) AND ALSO ROMANIA
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AND CANADA ACTIVELY PARTICIPATED
IN THIS PART OF THE SUBGROUP'S WORK.

5. AUSTRALIA (RYAN) LED OFF DISCUSSIONS WITH A GENERAL STATEMENT ON LIBERALIZATION AND ON THE EC'S PROPOSAL FOR CONCERTED DISCIPLINE. HE REITERATED AUSTRALIA'S OVERRIDING OBJECTIVE IS STABILITY AND A HIGHER LEVEL OF TRADE. THE SUBGROUP THEREFORE SHOULD FOCUS ON FRONTIER MEASURES. HE SAID THE CONTINUING CLOSURE OF THE EC MARKET REMAINS THE MOST IMPORTANT FACTOR IN INTERNATIONAL TRADE IN MEAT. HE CALLED ATTENTION TO PROPOSALS TO REVISE THE CAP FOR BEEF (WHICH WOULD RESULT IN THE IMPOSITION OF LEVIES UP TO 130 PERCENT) AND URGED THE SUBGROUP TO WATCH CAREFULLY ANY NEW CAP MEASURE WHICH WOULD BE AS RESTRICTIVE AS

THE PRESENT MEERGENCY MEASURES. SUCH A CHANGE IN THE BEEF CAP HAS NO ATTRACTIONS TO EXPORTING COUNTRIES AND WOULD MERELY PERPETUATE THE INSTABILITY WHICH THE EC HAS INJECTED INTO THE INTERNATIONAL MARKET OVER THE LAST TWO YEARS.

6. AUSTRALIA THEN ASKED THE EC IF THEIR PROPOSAL ON BURDEN SHARING AND JOINT DISCIPLINES MEANS THAT THEY WOULD BE PREPARED:

(A) TO ACCEPT A REDUCTION IN THE LEVEL OF PROTECTION AT THE FRONTIER EITHER BY REDUCTION AND BINDING OF THE PRESENT DUTY 20 PCT FROZEN, 16 PCT FRESH AND CHILLED) AND/OR BOUND REDUCTION OF THE AD VALOREM EQUIVALENT OF THE VARIABLE LEVY; LIMITATION ON INCREASES IN TARGET AND INTERVENTION PRICES; REPLACEMENT OF DUTY AND VARIABLE LEVY WITH A FIXED AD VALOREM IMPORT CHARGE; AND AN UNDERTAKING NOT TO USE SAFEGUARD MEASURES FOR PERIODIC CLOSURES OF THE MARKET;

(B) TO GIVE QUANTITATIVE ACCESS TO THE EC MARKET THROUGH THE EXPANSION OF PRESENT GATT LEVEY-FREE QUOTA ON A MULTILATERAL BASIS; ASSURANCES ON MINIMUM ANNUAL LEVEL OF IMPORTS EITHER ON GLOBAL BASIS FOR ALL GRADES OF BEEF AND VEAL OR FOR SPECIAL GRADES SUCH AS FROZEN BEEF FOR MANUFACTURING; OR BINDING OF A REDUCED IMPORT LEVY ON FROZEN BEEF FOR MANUFACTURING;

(C) TO GIVE ASSURANCES ON LIMITATIONS TO PAYMENT OF EXPORT RESTITUTIONS.

7. IN COMMENTING ON THE SECOND ELEMENT OF THE EC'S ORIGINAL PROPOSAL- STRENGTHENING THE PRESENT MACHINERY FOR MUTUAL INFORMATION AND CONSULTATION-AUSTRALIA RECALLED ITSPAST EFFORTS AND SUPPORT FOR IMPROVED FORMS OF INTERNATIONAL COOPERATION AND ITS LIMITED OFFICIAL USE
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INITIATIVES IN ESTABLISHING THE INTERNATIONAL CONSULTATIVE GROUP ON MEAT (ICGM). THE FACT THAT THE EC RESISTED THE ESTABLISHMENT OF THE ECGM AND SUBSEQUENT AUSTRALIAN PROPOSALS FOR COLLECTION OF INFORMATION REFLECT SERIOUSLY ON THE EC'S SINCERITY IN THE ADVOCACY OF IMPROVED CONSULTATIVE ARRANGEMENTS IN THE AGRICULTURE SECTOR.

8. ROMANIA (MODORAN) STATED THAT THE SUBGROUP SHOULD CONCENTRATE ON THE REDUCTION OR ELIMINATION OF TARIFFS, NON-TARIFF MEASURES, VARIABLE LEVIES AND DISCRETIONARY LICENSING; ON SECURING LONG-TERM ACCESS AT REMUNERATIVE PRICES; ON THE HARMONIZATION OF HEALTH AND SANITARY MEASURES WITHIN THE STANDARD CODE; AND ON SPECIAL AND DIFFERENTIAL TREATMENT FOR LDCS. ALL THESE ELEMENTS FORM THE SUBJECT OF A MULTILATERAL EXAMINATION AND ROMANIA IS OPEN TO PROCEDURAL SUGGESTIONS ON NEGOTIATING SPPROACHES.

9. NEW ZEALAND (MCPHAIL) REFERRED TO THEIR PREVIOUS STATEMENT (MTN/ME/W/2) AS PROVIDING A CLEAR OUTLINE OF THE ELEMENTS NEW ZEALAND SEES AS IMPORTANT IN THE WORK OF THE SUBGROUP AND OF THE ELEMENTS OF NEW ZEALAND'S APPROACH TO NEGOTIATIONS ON MEAT. HE CAUTIONED THE SUBGROUP NOT TO PROCEED ON THE BASIS

OF AN EITHER/OR APPROACH WHEN CONSIDERING DIFFERENT PROPOSALS BUT ON THE BASIS OF ALL PROPOSALS AND, ONCE AGAIN, SUGGESTED IT MIGHT BE APPROPRIATE IF THE SUBGROUP ESTABLISHED ELEMENTS COMMON TO ALL PROPOSALS. HE ALSO NOTED THAT WORK GOING ON IN OTHER GROUPS AND SUBGROUPS WOULD PLAY A ROLE. FOR ITS PART, NEW ZEALAND WOULD MEASURE ALL PROPOSED APPROACHES AGAINST THE EXTENT TO WHICH THEY PROMOTED THE EXPANSION AND LIBERALIZATION OF TRADE.

10. NEW ZEALAND EXPRESSED DISAPPOINTMENT OVER THE EC INABILITY TO ANSWER SPECIFIC QUESTIONS POSED BY NEW ZEALAND AT THE LAST MEETING, I.E., REGARDING THOSE ELEMENTS RELATING TO ACCESS AND HOW THE EC'S ORIGINAL PROPOSAL CAN BE CONSIDERED AS MEETING NEW ZEALAND'S CONCERNS ON THESE ISSUES. HE REQUESTED THE EC, AND OTHER IMPORTERS, TO ELABORATE THEIR POSITIONS ON THESE ISSUES.

11. U.S. DEL (KOENIG) STATED THAT HE UNDERSTOOD THAT THE EC STATEMENT WAS A COMPREHENSIVE AND FUNDAMENTAL PROPOSAL. IF THIS WAS THE CASE IT DID NOT SEEM TO FALL FULLY WITHIN THE TERMS OF REFERENCE OF THE SUBGROUP. IN ACCORDANCE WITH THE TOKYO LIMITED OFFICIAL USE
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DECLARATION, THESE TERMS CALL FOR COMMITMENTS FOR BETTER MARKET ACCESS. THE COMMUNITY'S PROPOSAL DOES NOT ENTAIL SUCH COMMITMENTS. THE U.S. DOES NOT AGREE THAT, AS THE EC SAID, THE TRADITIONAL RULES FOR NEGOTIATIONS DO NOT APPLY TO THE MEAT TRADE, NOR DOES THE U.S. BELIEVE THAT ONE OF THE MAJOR PROBLEMS IN THE BEEF SECTOR IS THE LACK OF INFORMATION AND CONSULTATION. NO AMOUNT OF INFORMATION OR CONSULTATION WILL LIMIT PRICE FLUCTUATIONS, CYCLICAL VARIATION IN PRODUCTION AND VETERINARY AND SANITARY PROBLEMS UNLESS COUNTRIES ARE WILLING TO ENTER INTO COMMITMENTS LEADING TO ACTIONS ON THESE ISSUES. THE INFORMATION WHICH THE COMMUNITY SUGGESTS TO BE REGULARLY SUPPLIED TO A NEW INTERNATIONAL FORUM IS AVAILABLE IN THE ICGM. AS FAR AS THE U.S. IS CONCERNED, WE ARE COMMITTED BY LAW TO PREPARE SUCH INFORMATION NOT ONLY WITH REGARD TO INTERNAL U.S. DEVELOPMENTS BUT ALSO WITH REGARD TO THE WORLD AS A WHOLE. IF THE EC DEL SO WISHES, THE U.S. DEL COULD READ HIM THE LATEST INFORMATION ON THIS SUBJECT. DISTRIBUTION OF INFORMATION AND CONSULTATIONS CANNOT BE A SUBSTITUTE FOR ACTION, PARTICULARLY FOR ACTIONS TO AVOID CRISES. THE U.S. IS, OF COURSE, ALWAYS IN FAVOR OF CONSULTATION AND COOPERATION ALSO IN THE MEAT SECTOR. THERE ARE VARIOUS BODIES SUCH AS THE INTERNATIONAL CONSULTATIVE GROUP ON MEAT, OECD AND FAO, WHERE SUCH CONSULTATIONS TAKE PLACE AND WE SEE NO REASON TO REPLACE THESE BODIES BY A NEW BODY. THERE IS ALSO AN INCONSISTENCY IN THE EC'S PROPOSAL WHICH AIMS AT REPLACING THE VARIOUS CONSULTATIVE BODIES ON MEAT BY A NEW SINGLE BODY, WHILE ON THE OTHER HAND SUGGESTING THAT SANITARY AND VETERINARY QUESTIONS BE DEALT WITH IN A VARIETY OF BODIES SUCH AS THE WHO OR THE CODEX ALIMENTARIUS.

12. EC (JACQUOT) INTERVENED TO STATE THAT THE SUBGROUP SHOULD AGREE ON A NEGOTIATING APPROACH AND THAT THE ONLY BASIS FOR THE SUBGROUP'S WORK IS THE ORIGINAL EC PROPOSAL. HE SAID WE NEED A CONCENTRATION OF DISCIPLINES. THERE IS ALREADY A CERTAIN TRADITION OF CONCERTED DISCIPLINES IN THE EC AND THE U.S. (I.E., VOLUNTARY EXPORT RESTRAINT AGREEMENTS). THESE TYPES OF COOPERATIVE ACTIONS DEMONSTRATE SOMETHING POSITIVE. TRADITIONAL RULES FOR LIBERALIZATION WILL NOT IMPROVE THE CONDITIONS OF THE WORLD MARKET. THE U.S. AND ITS SUPPLIERS HAVE ACCEPTED THIS IN PRINCIPLE. THE LIBERALISTS ARE DOUBLE-TALKING. IN THE EC'S VIEW, THERE ARE FOUR LIMITATIONS TO THE CURRENT COOPERATIVE ARRANGEMENTS. THEY HAVE NOT (A) PREVENTED PRICE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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FLUCTUATIONS, (B) ALLOWED THE HARMONIZATION OF PRODUCTION CYCLES BETWEEN LARGE EXPORTERS AND IMPORTERS, (C) TACKLED HEALTH AND SANITARY PROBLEMS, AND (D) HAVE OPERATED INDEPENDENTLY FROM EACH OTHER. THEY SHOULD BE INCORPORATED INTO A MULTILATERAL AGREEMENT. THE EC DREW THE CONCLUSION THAT THERE IS AN INCON-

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ACTION STR-04

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00

STRE-00 FEA-01 OIC-02 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 ITC-01 TRSE-00 PRS-01 SP-02

OMB-01 /133 W

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O R 091852Z JUL 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 1735

INFO ALL EC CAPS 97

AMEMBASSY BELGRADE

AMEMBASSY BRAZILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY MONTEVIDEO

AMEMBASSY OTTAWA

AMEMBASSY TOKYO
AMEMBASSY WELLINGTON
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ACTION STR

PASS AGRICULTURE, H PASS CODEL

SISTENCY IN PROCEDURES FOR CONSULTATION AND INFORMATION, AND
SUGGESTED THE FOLLOWING PROCEDURES FOR MULTILATERAL COOPERATION.
COUNTRIES SHOULD COMMIT THEMSELVES TO PROVIDE (A) DATA ON HERD
SIZE, PRODUCTION, CONSUMPTION PRICES, IMPORTS, EXPORTS, ETC.,
(B) FORECASTS OF SUCH DATA, AND (C) SHOULD GIVE POLICY
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INTENTIONS ON THE ABOVE ELEMENTS. SUCH INFORMATION WOULD ALLOW
MEMBERS OF SUCH AN AGREEMENT TO CARRY OUT EXHAUSTIVE REVIEWS
THREE TIMES A YEAR OR TWICE A YEAR TO ESTABLISH A SUPPLY AND
DEMAND BALANCE. THERE IS A REAL NEED TO SET UP SUCH
SURVEILLANCE AS EARLY WARNING SYSTEM TO DETECT EXTREME MARKET
SITUATIONS. THIS IS NOT BEING DONE BY THE ICGM. THERE HAVE
TO BE COMMITMENTS BY BOTH EXPORTERS AND IMPORTERS TO DEVELOP A
DETECTION AND INFORMATION PROCESS LEADING TO CONSULTATIONS FROM
WHICH THEY MIGHT EVOLVE COMMITMENTS ON STOCKING, ON HEALTH AND
SANITARY REGULATIONS, AND ON SAFEGUARD ACTIONS.

13. NEW ZEALAND WELCOMED THE EC'S ELABORATION ON CONCERTED
DISCIPLINES BUT WONDERED HOW THE EC PROPOSAL WOULD EXPAND TRADE.
THEY SAW NO ADVANTAGE IN THE EC PROPOSAL.

14. AUSTRALIA CALLED THE EC PROPOSAL A MIRAGE AND ASKED FOR
FURTHER CLARIFICATION. THEY STATED THAT NEGOTIATIONS ON
BEEF CANNOT TAKE PLACE IN ISOLATION. SECTOR NEGOTIATIONS ON
BEEF ARE NOT POSSIBLE. THE EC SUGGESTION THAT EXPORTERS LIMIT
HERD SIZES IS UNREASONABLE, FOR GATT IS BASED ON THE PREMISE
THAT NEGOTIATION BE DIRECTED TO THE FULL UTILIZATION OF THE
WORLD'S RESOURCES. THE AUSTRALIAN DEL STATED FURTHER THAT THE
EC IMPLIED THAT THE U.S., AUSTRALIA AND NEW ZEALAND ARE CYNICAL
WITH RESPECT TO LIBERALIZATION. HE SAID THE U.S.M. MARKETS HAVE
NOT BEEN CLOSED AND THE U.S. MEAT LAW PROVIDES FOR A GROWTH
ELEMENT AND DOES NOT THROW THE BURDEN OF ADJUSTMENT ON OTHERS.
THE AUSTRALIAN DEL FURTHER ASKED WHETHER THE EC IS RENEGING ON
THE COMMITMENTS MADE IN THE ICGM. THIS BODY SHOULD NOT BE
DESTROYED. SAFEGUARDS BELONG IN THE SAFEGUARD GROUP, AND HEALTH
AND SANITARY QUESTIONS SHOULD BE DEALT WITH UNDER THE DRAFT
STANDARD CODE BUT NOT IN THE MEAT SUBGROUP.

15. CANADA (GIFFORD) STATED THAT THE EC PROPOSAL DOES NOT GO
FAR ENOUGH. IT DOES NOT COVER ACCESS FOR EXPORTERS AND MAKES

NO PROVIDION FOR DEALING WITH SAFEGUARD ACTIONS AND EXPORT
SUBSIDIES. ALSO THE QUESTION OF PRODUCT COVERAGE HAS NOT BEEN
DEATLT WITH.

16 JAPAN (YOSHIKUNI) DECLARED HIS DELEGATION IS READY TO
EXAMINE A PROPOSAL FOR AN IMPROVED CONSULTATIVE MECHANISM.
HOWEVER, IT WAS NOT CLEAR WHAT THE EC WAS SPECIFICALLY PROPOSING.
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THE JAPANESE DEL ALSO STATED THAT THE AGRICULTURE GROUP SHOULD
EXAMINE THE STANDARD CODE.

17 YUGOSLAVIA (TOMIC) THANKED THE EC FOR THE CONTRIBUTION ITS
PROPOSAL WOULD MAKE TOWARD AN AGREEMENT ON MEAT. HOWEVER, IN
HIS OPINION, THIS PROPOSAL IS INSUFFICIENT AND COULD ONLY BE
ACCEPTED IF IT BECAME CLEAR HOW IT WOULD DEAL WITH TRADE
EXPANSION AND BETTER MARKET ACCESS.

18. ARGENTINA (RAIMONDI) STATED THAT THE EC PROPOSAL IS BASED
ON A PRESUMPTION WHICH ARGENTINA DOES NOT FULLY SHARE. THE EC
PROPOSAL IS UNBALANCED AND INCOMPLETE. EXPORTERS, ACCORDING TO
THE EC PROPOSAL, WOULD HAVE TO MAKE COMMITMENTS ON HERD SIZES
AND PRICES BUT IMPORTERS, UNDER THIS PROPOSAL, WOULD NOT BE
OBLIGED TO UNDERTAKE ANY COMMITMENTS ON ACCESS.

19. URUGUAY (BOSCH) CONSIDERED THE EC PROPOSAL FASCINATING BUT
FOUND IN IT MACHIAVELLIAN ASPECTS. HE ASKED WHETHER THE EC
PROPOSAL ENTAILS THE POSSIBILITY OF NEGOTIATING ON VARIABLE
LEVIES. IF NOT, IT CAN ONLY CREATE CONFUSION.

20. IN REPLY TO THESE OBSERVATIONS, THE EC COMPLAINED THAT THEIR
STATEMENT HAS MET ONLY WITH CRITICISM AND NO POSITIVE APPROVAL.
IN REPLY TO THE U.S. COMMENTS, THE EC DEL STATED THAT THE
PROPOSAL FOR INTERNATIONAL COOPERATION WAS AN AUSTRALIAN PROPOSAL,
NOT AN EC PROPOSAL, AND WAS THEREFORE WITHIN THE TERMS OF
REFERENCE OF THE SUBGROUP. AS REGARDS THE QUESTION OF ACCESS
AND LIBERALIZATION, THE EC PROPOSEY A SYSTEM OF CONSULTATIONS.
LIBERALIZATION WOULD PERPETUATE THE INSTABILITY ON THE MEAT
MARKET. THE CREATION OF THE ICGM WAS ORIGINALLY OPPOSED BY THE
EC BUT IT FINALLY PARTICIPATED IN THIS GROUP. HOWEVER,
THE ICGM IS, IN THE EC VIEW, A COMBATIVE GROUP. IF THIS MOOD
WERE TO PERSIST IN THAT GROUP, THE EC DELEGATES WILL NOT ANY
LONGER PARTICIPATE IN ITS MEETINGS. THE ICGM DOES NOT DEAL
WITH SUPPLY AND DEMAND BALANCES. THE STANDARD CODE IS OF
A PROCEDURAL NATURE. NOT ALL HEALTH PROBLEMS FIT INTO THIS
STANDARD CODE AND THE CODE WOULD NOT SETTLE ALL PROBLEMS. THE
COMMUNITY WISHES THAT GROUP AGRICULTURE EXAMINE THE STANDARD
CODE, IN PARTICULAR IN ORDER TO FIND OUT WHETHER GATT ARTICLE XX
WILL CONTINUE TO PERMIT EACH COUNTRY TO DO WHATEVER IT
PLEASES.
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21. U.S. NOTED THE REMARK MADE BY CANADA THAT IT GOES TOO FAR TO SAY THAT THE EC PROPOSAL IS NOT FULLY WITHIN THE TERMS OF REFERENCE OF THIS GROUP. U.S. DEL WOULD AGREE WITH THIS VIEW, IF THE EC PROPOSAL WERE ONE OF THE ELEMENTS OF A WIDER AGREEMENT. HOWEVER, IF, AS WE UNDERSTAND IT, THE EC PROPOSAL AIMS ONLY AT CONSULTATIONS, AND IF CONCERTED DISCIPLINES ARE MERELY A COMMITMENT TO CONSULT AND NOTHING ELSE, THEN SUCH A PROPOSAL WOULD PRE-EMPT THE TERMS OF REFERENCE OF THE MEAT SUBGROUP. HOWEVER, SAID THE U.S. DEL, ACCORDING TO THE EC THERE WOULD NOT BE MERELY CONSULTATIONS BUT "SOMEGHING ELSE". THERE WOULD BE OTHER SPECIFIC MEASURES TO BE TAKEN FOLLOWING SUCH CONSULTATIONS. THE U.S. DEL ASKED WHAT ARE THESE MEASURES? WHAT INTERNATIONAL COMMITMENT WOULD THE EC ASSUME? WOULD IT BE WILLING TO REDUCE DUTIES OR TO SUSPEND LEVIES OR TO REDUCE EXPORT SUBSIDIES? WOULD DUTIES BE REDUCED ACCORDING TO A GENERAL RULE OR ACCORDING TO SOME OTHER RULES? COULD LEVIES BE BOUND? WOULD THE EC'S MECHANISM OF PROTECTION BE SUBMITTED TO SOME INTERNATIONAL RULES? THESE ARE THE QUESTIONS WHICH HAVE TO BE ELUCIDATED IN DETAIL RATHER THAN SAYING THAT THERE WOULD BE "SOMETHING ELSE" IN ADDITION TO CONSULTATIONS.

2. IN REPLY TO U.S. QUESTIONS, THE EC STATED FIRST THINGS HAVE TO COME FIRST. FIRST ONE HAS TO AGREE ON A MULTILATERAL FRAMEWORK, THEN ONE WILL SEE WHAT COMES NEXT. THE EC WILL NOT EXPLAIN WHAT COMES NEXT UNTIL SUCH A FRAMEWORK IS CREATED. THE EC WILL NOT CHANGE LEVIES. THE EC WILL NOT ACCEPT A TARIFF FORMULA FOR MEAT UNTIL DOOMSDAY. THE EC WILL NOT CHANGE LEVIES TO AD VALOREM DUTIES. LEVIES PROTECT THE EC FROM THE BEHAVIOR OF OTHERS. THE EC WAS CAREFUL NOT TO SPEAK OF BILATERAL COMMITMENTS. FIRST, THE FRAMEWORK FOR CONSULTATION AND INFORMATION IS TO BE DISCUSSED, THEN ONE CAN DECIDE HOW OTHER MATTERS SHOULD BE SETTLED.

23. THE ENSUING DISCUSSION CENTERED ON ATTEMPTS TO OBTAIN CLARIFICATION OF THE EC PROPOSAL. AUSTRALIA SAID THAT THE EC TAKES A NEGATIVE ATTITUDE ON THE VERY THINK (I.E., ICGM) WHICH IT IS PROPOSING IN THE MTN SUBGROUP ON MEAT. AS REGARDS SAFEGUARDS, AUSTRALIA BELIEVES THAT THEY SHOULD BE DEALT WITH IN THE SAFEGUARDS GROUP.

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24. EC REPLIED THAT IF SAFEGUARDS ARE TO BE DEALT WITH IN THE SAFEGUARDS GROUP, QR'S IN THE QR GROUP, AND TARIFFS IN THE TARIFFS GROUP, THE SUBGROUP ON MEAT WILL HAVE NOTHING TO DO.

25. NEW ZEALAND AND OTHERS INQUIRED WHY THE EC DOES NOT CONTRI-

BUTE IN THE ICGM TO THE TASKS WHICH ARE TO BE UNDERTAKEN UNDER THE AUSPICES OF THE NEW CONSULTATIVE BODY PROPOSED BY THE EC.

26. CANADA SAID THAT THERE IS AT PRESENT PRESSURE IN CANADA FOR A MEAT IMPORT LAW. IF THESE PRESSURES ARE TO BE CONTAINED, IT HAS TO BE DEMONSTRATED IN THE MTN THAT THE MAJOR IMPORTERS ARE PREPARED TO MAKE MEANINGFUL COMMITMENTS. CANADA ALSO CONTRASTED ITS OWN SAFEGUARD MEASURES WITH THOSE OF THE EC. WHEN CANADA TOOK SUCH MEASURES, IMPORT QUOTA WERE SET EQUAL TO AVERAGE IMPORTS OF THE PRECEDING FIVE YEARS. THE EC DID NOT BEHAVE IN SUCH A WAY.

27. THE U.S. INQUIRED WHY A NEW INTERNATIONAL FORUM FOR THE EXCHANGE OF INFORMATION AND CONSULTATION ON BEEF IS NECESSARY SINCE SUCH A FORUM EXISTS ALREADY IN THE ICGM. THE U.S. ALSO REPEATED ITS REQUEST THAT THE COMMUNITY SPELL OUT WHAT ACTIONS THEY WOULD BE WILLING TO TAKE FOLLOWING MULTILATERAL CONSULTATIONS IN A NEW FRAMEWORK.

28. THE EC, AFTER HAVING REITERATED THAT LIBERALIZATION WILL NOT SOLVE THE PROBLEMS OF THE MEAT MARKET AND THAT OUR TASK DOES NOT CONSIST IN SOLVING THE PROBLEM OF ACCESS, REFERRED TO THE DELAY IN NOTIFICATIONS BY THE U.S. UNDER THE PROCEDURES OF GROUP AGRICULTURE. THE U.S. REPLIED THAT THESE NOTIFICATIONS WILL BE MADE WITHIN THE NEXT DAYS. IN A FURTHER EXCHANGE ABOUT THE MERITS AND DEMERITS OF THE ICGM, THE EC STATED THAT THE VERY EXISTENCE OF THIS GROUP PREJUDICES THE WORK OF THE MTN SUBGROUP ON MEAT.

29. IN SPITE OF THE INSISTENT AND REPEATED REQUESTS OF MANY DELEGATIONS, THE EC REFUSED TO SUBMIT ITS PROPOSAL IN WRITING. HOWEVER, AT THE END OF THE MEETING THE CHAIRMAN ANNOUNCED THAT THE EC WILL SUBMIT ITS PROPOSAL IN WRITING AT A LATER STAGE.

30. THE CHAIRMAN THEN READ TO THE GROUP THE REPORT HE IS TO MAKE TO GROUP AGRICULTURE. THE SUMMING-UP BY LIMITED OFFICIAL USE
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THE CHAIRMAN WILL BE REPORTED SEPARATELY.

31. THE NEXT MEETING OF THE SUBGROUP WILL BE SET IN CONSULTATION WITH DELEGATIONS.

32. WHEN SUBSEQUENT TO THE MEETING OF THE SUBGROUP MEAT, THE EC, IN THE TARIFFS GROUP DECLARED THAT ITS PROPOSED TARIFF FORMULA EXCLUDES AGRICULTURE (MTN GENEVA 5412), NEW ZEALAND STATED THAT THE EC WAS REFUSING TO NEGOTIATE ON TARIFFS ON MEAT IN BOTH THE MEAT SUBGROUP AND THE TARIFFS GROUP. THE NEW ZEALAND DELEGATION STATED THE EC REFUSAL TO NEGOTIATE AGRICULTUREAL TARIFFS OFFERS VERY LITTLE POSSIBILITIES FOR NEW ZEALAND

TO PARTICIPATE IN THE MTN. THE NEW ZEALAND REMARK PROVOKED
A SHARP RESPONSE FROM THE EC WHICH DECLARED ITS POSITION
WAS THAT MEAT TARIFFS AND MEASURES WERE SUBJECT TO
NEGOTIATIONS IN MEAT SUBGROUP. LUYTEN THEREAFTER PRIVATELY
TOLD NEW ZEALAND DEL THAT THE EC HAS NOT REFUSED IN THE MEAT
SUBGROUP TO NEGOTIATE ON TARIFFS. WHEN AUSTRALIANS JOINED
THIS CORRIDOR CONVERSATION AND CONFIRMED THAT JACQUOT HAD
INDEED SAID JUST THAT (SEE PARA 22 ABOVE) OUYTEN ANIMATEDLY
BEGAN BACKPEDALING. OTHER PARTICIPANTS IN THE MEAT SUBGROUP
MIGHT HAVE MISUNDERSTOOD THE TRANSLATION FROM THE FRENCH
AND THAT EC STATEMENTS MADE IN THE MEAT
GROUP IN THE HEAT OF DEBATE DO NOT REPRESENT THE EC
POSITION. THE EC EXPECTED SUCH BEHAVIOR FROM THE AUSTRALIANS
BUT NOT FROM NEW ZEALAND. BECAUSE OF THE NEW ZEALAND
STATEMENT DIPLOMATIC REPERCUSSIONS WOULD FOLLOW.
THIS THREAT, WE LATER LEARNED, ONE WHICH EC HAS PREVIOUSLY
USED EFFECTIVELY AGAINST NEW AEALAND WHICH CONTINUES TO
SEEK EC MARKET ACCESS AND HAS GENERALLY FORCED WELLINGTON
TO BACK DOWN. WALKER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 15 SEP 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, MEATS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MTNGE05459
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D760267-0828
From: MTN GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197607109/baaaengz.tel
Line Count: 508
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 12 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 APR 2004 by greeneet>; APPROVED <13 APR 2004 by GolinoFR>
Review Markings:

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Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JULY 5-7 MEETING OF MTN SUBGROUP ON MEAT
TAGS: ETRD, MTN
To: STATE INFO ALL EC CAPS
BELGRADE
BRAZILIA
BUENOS AIRES
CANBERRA
MONTEVIDEO

OTTAWA
TOKYO
WELLINGTON
WARSAW

Type: TE

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